

[25th July, 2000]

RAJYA SABHA

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) A Statement showing supplementary Demands for *Grants during last three years* is enclosed {See below}.

(b) and (c) Supplementary Demands are granted only in cases of recoupment of advance obtained from the Contingency Fund of India, expenditure against Court Decrees, additional expenditure attracting the limitations of new service/new instrument of service to be met by reappropriation of savings and certain unavoidable and inescapable additional expenditure over the budget estimates agreed under special circumstances.

Statement

Supplementary Demands for Grants during the last three years, 1997-98, 1998-99 and 1999-2000

(Rs. in crores)

Year	Batch/Month	Amount of Suppl. Grant			
		Cash outgo	Technical*	Token	Total
1999-2000	1st 12/1999	1423.79	2225.05	0.35	16549.79
	2nd 3/2000	7949.19	6178.88	0.64	14128.71
1998-99	1st 12/98	1279.73	13169.96	0.27	14449.96
	2nd 3/99	7029.53	6755.23	0.03	13785.39
1997 98	1st 8/97	1989.48	1946.93	0.14	3936.55
	2nd 3/98	2344.90	162146.34	0.43	164491.67

* Matched by receipts/savings.

Use of Mauritius route for avoiding taxes by companies

226. SHRI NAGENDRA NATH OJHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that recently a number of companies have started using the Mauritius route to avoid payment of tax on capital gains;

(b) if so what is the number of such companies with their registered offices in Mauritius and have signed the Double Taxation Avoidance Agreement (DTAA) in the year 1998, 1999 and 2000 so far: and

(c) the estimated loss on account of non-payment of taxes by these companies during the year 1999 and 2000 so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR: (a) Mauritius based Foreign Institutional Investors (FIIs) have been investing from 1993, after Government of India allowed foreign investment in Indian capital market in September, 1992. These companies are not taxable in India in regard to capital gains on sale of shares of Indian companies under the Double Taxation Avoidance Convention (DTAC) between India and Mauritius of 1983.

(b) There is no requirement for these companies to sign DTAC. From January, 1993 till 31.3.2000, 135 FIIs/ sub-accounts registered in Mauritius have invested in India.

(c) Benefits available under treaty provision do not amount to non-payment of tax resulting in loss of revenue.

Closure of sick PSUs

227. SHRI NAGENDRA NATH OJHA:

SHRI V.V.RAGHAVAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to close down six public sector undertakings;

(b) if so, the names of the PSUs and the number of workers expected to be rendered unemployed; and

(c) whether the statutory dues by way of Salary, Provident Fund, Gratuity etc, are being paid to the workers ; if so the details in the regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR: (a) and (b) Yes, Sir. It has been decided to take action for closure of six PSEs which have been considered unviable, after exploring all possibilities of revival and to extend benefits under the Voluntary Separation Scheme to their employees which would be substantially higher than the compensation available under the ID Act. This decision will benefit about 3700 remaining employees in these PSUs namely Mining & Allied Machinery Corporation (MAMC), National Bicycle Corporation of India Ltd. (NBCIL), Bharat Process & Mechanical Engineers Ltd (BPMEL), Weighbird India Ltd. (WIL), Rehabilitation Industries Corporation (RIC) and Tannery and Footwear Corporation Ltd. (TAFCO).